

ACTING CHAIRWOMAN MIGNON CLYBURN
PREPARED REMARKS TO FCBA LUNCHEON
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Good afternoon, FCBA! It's really great to be back.

I have a confession to make: I come here today with mixed emotions. After an eventful ride, this journey we've had together is coming to a close. Yes, Breaking Bad will end this weekend. What? Were you expecting me to say something else? They warned me that opening with a pop culture joke would be risky at an FCBA luncheon. It presumes members of the communications bar have lives outside of work. I know; that's a big assumption.

Okay, okay, it does appear that the Commission could be returning to full complement in the not-to-distant future. I must admit that I've enjoyed my journey. Having spent just over four years as a Commissioner and four months as Acting Chairwoman, I say without a doubt that being the Chair, is WAY better.

But, I'm looking forward to once again being at full capacity, with Tom Wheeler and Michael O'Rielly. And one thing about their backgrounds has me really excited: Neither of them is a lawyer. After three-plus years of

being the only non-attorney on the Commission, non-lawyers will soon rule. Now that's change I can believe in.

With a new Chairman and Commissioner coming in, clearly this is a time of transition for us all and a good time to take stock of where we are and where we're headed. I want to speak about the importance of a vibrant FCC, what I see as our core responsibilities, and what we're doing to fulfill them.

I sincerely believe that the need for a dynamic agency is greater than ever before. For the communications technology sector continues to grow in its importance to our economy, our competitiveness, and in our lives.

Since I arrived at the Commission, smartphone ownership in America has gone from around 15% to 56%. The average smartphone owner checks their device 150 times a day -- including some of you right now -- and those devices have more computing power, than the lunar module, that put a man on the moon.

This sector, invests tens of billions of dollars into our economy every year, and enables growth in other sectors, across our economy. So what is our role, and what should it be, going forward?

There are different opinions, but here's how I see it. The Commission is obviously focused on goals -- like driving innovation and investment

across the ICT sector. But to me, the FCC's four core pillars will forever remain:

1) ensuring universal service; 2) promoting competition; 3) protecting and empowering consumers; and (4) enabling a reliable and resilient network, for our public safety needs.

So, just what have we been doing on each front?

UNIVERSAL SERVICE

Let's start with universal service. Nothing is more fundamental to the FCC's mission than connecting ALL Americans to modern communications. The unfortunate truth, however, is that nearly one-third of Americans haven't adopted broadband at home. And there are fifteen million Americans still lacking access to fixed broadband networks, living in areas where there is no business case for rapid deployment, making government engagement essential.

So I'm proud that, after many years of good-faith attempts, a bipartisan Commission was finally able to come together and modernize USF for the broadband age.

The sheer volume of work done to modernize USF has been astounding. During the past year or so, the staff prepared six Commission-level orders and issued more than 30 others. We're seeing significant progress on a number of fronts, and have taken new steps to build on previous efforts.

Under the Connect America Fund, significant new funding will be matched with hundreds of millions of private sector dollars in many areas, which would quickly expand broadband infrastructure to rural communities in every region of the nation. Building on lessons learned from the first round of Phase I funding, carriers just requested \$385 million in funding to connect over 600,000 housing units or over one million people in 44 states plus Puerto Rico.

Now, we're moving forward on CAF II implementation, including the Connect America Cost Model, which will provide the baseline for support in the next phase of the Connect America Fund.

Building on the reverse auction we conducted in Mobility Fund I, this fall we will conduct the Tribal Mobility Fund Phase I auction, which will help provide 3G or better mobile voice and broadband services to populations on Tribal lands lacking such advanced services.

In addition to ensuring every U.S. household has access to at least basic broadband, we want every school and library in America to have access to high capacity broadband.

E-Rate has helped connect almost every school in America to the Internet. But having a broadband connection doesn't mean having the broadband capacity to support the latest digital learning tools. About half of E-Rate recipients report lower connection speeds than the average American home. That's just not good enough.

President Obama challenged the FCC to bring high-speed Internet to 99% of U.S. students within five years. We are answering his call.

In July, we launched a comprehensive proceeding to modernize the E-rate program around three goals: increased broadband capacity, cost-effective purchasing, and streamlined program administration. This is the first comprehensive update of the program since 1997, and will ultimately assist schools and libraries in getting the high-capacity broadband they need to support today's digital learning. We're digging into the record and the over 800 comments filed so far, as well as looking forward to reply comments next month. And to those of you in the room who were able to bill hours drafting some of those comments over the summer – you're welcome.

Another key universal service program that we've overhauled is Lifeline. In January 2012, we adopted comprehensive reforms to eliminate waste, fraud and abuse, while ensuring the availability of voice service for low-income Americans. We've continued to make tremendous strides over the summer, including the adoption of an Order emphasizing that a provider must verify eligibility before initiating Lifeline service. I'm proud to say we're making significant progress with the duplicates database. It will be operational by the end of the year, with data loaded from five states and will be expanded to include all states by first quarter 2014. Altogether, these reforms are on pace to generate \$2 billion in savings by next year. We also have significant enforcement actions and investigations pending within our Enforcement Bureau and Inspector General's office.

We not only want universal access to robust wireline networks; we want universal access to robust wireless networks.

Our nation's leadership in mobile is a key competitive advantage. A report came out just last week which found that the U.S. has 47 million 4G LTE subscribers, more than the rest of the world combined. To maintain our lead in mobile innovation and infrastructure, and to meet growing consumer demand, we need to free up more spectrum for broadband.

Of course, all eyes are on the incentive auction, and I can assure you that there is no higher agency priority. We continue the push to hold this first-in-the-world auction, by the end of 2014.

What many people don't realize is that the Middle Class Tax Relief and Job Creation Act of 2012, which authorized the FCC to conduct the first incentive auctions, also called on the FCC to license other bands of spectrum for flexible use by 2015.

Consistent with our Congressional directive, in June the Commission adopted a report and order to auction 10 MHz of spectrum in the so-called H Block. Just last week, we announced that the PCS H block auction will be held on January 14, 2014, and set a reserve price of \$1.56 billion. I am pleased that the FCC is moving expeditiously to auction this spectrum, which will be the first major auction since 2008, and that we are doing so in a way that ensures substantial revenues will flow to FirstNet to deploy our nationwide public safety broadband network.

This summer, the Commission also launched a proceeding to license the AWS-3 band. That Notice includes proposals for identifying spectrum that is free, clear, and available for exclusive use, as well as proposals for spectrum that could be shared with Federal users, if clearing and reallocating is not possible, in the near-term. We remain committed to finding new and innovative strategies, to expedite commercial access, to additional spectrum.

And we adopted an order to open up the 57 – 64 GHz band for unlicensed use, spectrum no one ever dreamed usable. Tapping into the lightly used upper reaches of the spectrum in the 57-64 GHz band is an important component in our overall strategy for meeting the high bandwidth demands of tomorrow's networks. It also promotes expansion of wireless broadband services to rural areas of our country.

COMPETITION

In addition to freeing up spectrum, the Commission is promoting the deployment of wireless networks by removing barriers to infrastructure deployment. And in two days, the Commission will vote on a NPRM to ease access to public rights of way and facilities for the siting of wireless infrastructure.

The second pillar I'll discuss is competition.

Earlier this month, we scored a big win for competition in the wireless space when carriers reached a voluntary industry solution that will resolve

the lack of interoperability in the lower 700 MHz band.

When the Commission auctioned this spectrum in 2008, it was widely anticipated that deployment of this valuable spectrum would result in greater innovation and competitive options for consumers. But the lack of interoperability in the band prevented many consumers from realizing those benefits.

But after many frustrating years, AT&T, the Competitive Carriers Association, the Interoperability Alliance, DISH, and consumer advocacy groups, working with FCC, finally broke the logjam.

AT&T will modify its 700 MHz LTE network, to make it easier for the customers of smaller carriers to roam on AT&T's LTE network, and devices like the iPhone that used to work exclusively for AT&T will work on the smaller carriers' networks in the 700 MHz band.

This is a big win for consumers, especially in rural areas, who will see more competition and more choices. Also, by making it easier for small wireless carriers to compete, this interoperability solution will spur private investment, job creation, and the development of innovative new services, and devices.

Reforming special access is another key issue that I've been committed to since coming to Washington. Special access services underpin millions of transactions for consumers every day at places like

gas pumps and ATM machines, while easing the burden on our wireless networks by transporting mobile calls and data. Last week, our Wireline Competition Bureau issued a data collection clarification order and instructions, which mark an important step forward in our data-driven examination of the marketplace for these services. This Order will give the Commission the detailed and comprehensive data we need to conduct a robust analysis of the entire special access market.

Another policy we're working on to promote competition is cell phone unlocking.

I support policies that enable consumers to lawfully unlock their mobile telephones so they can seamlessly move from one carrier to another. And I'm not alone. Earlier this year, 114,000 people signed on to the White House petition supporting the development, of a cell phone unlocking policy.

Wireless carriers should be able to enforce their valid customer contracts, but consumers who satisfy the reasonable terms of their contracts should not be subject to civil and criminal penalties if they want to take their device to a new carrier.

Some providers have already adopted consumer-friendly unlocking policies, and we are redoubling our efforts to explore all possibilities with industry and stakeholders to achieve consumer-friendly policies. We are

moving quickly to develop a baseline standard that reduces consumer frustration and promotes consumer access, to unlocked devices.

EMPOWERING CONSUMERS

Cell phone unlocking is a nice bridge to the next pillar of the FCC's agenda, which is ultimately about standing up, for consumers' rights.

For 10 years, family, friends and legal representatives of inmates urged the courts and waited for the FCC to ease the burden of an exorbitant inmate calling rate structure.

Families on a fixed income who are barely struggling to get by were being forced to choose between spending scarce resources to stay in touch with their loved ones, or covering life's basic necessities.

In August, we adopted an Order reforming interstate inmate calling services to ensure that rates are just, reasonable and fair, both to the providers and the inmates and their families. Our new rules will require interstate inmate calling rates, including ancillary charges, to be based on the cost of providing service.

The Commission is also looking out for rural Americans. Last week, I circulated an Order and Further Notice of Proposed Rulemaking that will help make sure that calls to rural areas are completed. This is a serious

issue that I've been committed to taking steps to address because calls are not being completed to doctors, public safety entities, businesses and family and friends. This is just not acceptable. I look forward to working with my colleagues, to adopt the Order, which will enhance the FCC's ability to investigate and crack down on this problem, while also taking immediate steps to improve the performance of long-distance calls to rural America.

Standing to benefit greatly from new communications technology would be the millions of Americans living with disabilities.

That's why I was pleased in June, when we adopted reforms to the Video Relay Service, to enable millions of Americans with disabilities, to access communication services in ways that are more simple, robust, and affordable.

And last week, I circulated an item that will make programming guides and menus accessible to the blind and visually impaired on devices that consumers use to receive or display, video programming.

PUBLIC SAFETY

And lastly, our latest efforts to enhance network reliability and resiliency, beginning with 9-1-1.

At the FCC, we are committed to ensuring the reliability of our 9-1-1 system when stressed by large-scale emergencies.

In the wake of the 2012 Derecho, which disrupted communications networks affecting more than 3.6 million people, our Public Safety and Homeland Security Bureau immediately launched an in-depth inquiry into the causes of the 9-1-1 network failures and what could be done to prevent them from occurring again.

And this summer, we circulated a draft NPRM that proposes to improve wireless network reliability during disasters by requiring wireless service providers to publicly disclose the percentage of cell sites within their networks that are operational after disasters. This proposal, now on the agenda for the next open meeting, could encourage competition in the wireless industry to improve network reliability by providing consumers with a yardstick for comparing wireless performance in emergencies.

We are also working to improve location accuracy for 9-1-1 calls from wireless devices.

The Commission's current E-9-1-1 rules were primarily designed to deal with outdoor locations and this clearly needs to be reevaluated in light of the fact that wireless calls are increasingly placed indoors. We are in the process of examining the relevant data, and we will soon host a workshop to examine these issues further.

CONCLUSION

So for those who've asked why I have yet to take any type of vacation, you can now see why. While incredibly busy and often fatigued, I am incredibly proud of what we've been able to accomplish much of which was done in collaboration with many in this room.

But many challenges lie ahead. Our work to ensure universal service, promote competition, and protect and empower consumers continues and is more important than ever. Together, we can help grow our economy and boost U.S. competitiveness. Together, we can help open new doors of opportunity and unleash new technological discoveries. Together, we can make a profound impact in the lives of all Americans. So for the vital role you play, as well as for the support you've given me over the years, I sincerely thank you.

But there's just one last ask, and this is extremely important: If anyone can share any spectacular, off-season vacation ideas, there is one Acting Chairwoman who is more than ready and eager to listen.

Have a great afternoon.